

Agency Response to Economic Impact Analysis

The Lottery concurs with the economic impact analysis prepared by the Department of Planning and Budget; however, it wishes to make the following comment:

As noted in the analysis, certain operational and procedural changes have been made without going through the regulatory process, and regulations are being updated now to reflect these changes, thus causing the department to operate contrary to certain regulations.

The Lottery acknowledges this situation; however, in order for the department to perform its functions effectively, it must operate in an enterprise environment. The department is attempting to simplify the current regulations by removing operating procedures not specifically required by the Code of Virginia to be included. When the Lottery was first established, regulations were drafted based on those in place in comparable states because Virginia had no prior experience with this type of revenue producing enterprise. Following the initial adoption, numerous emergency revisions were made to more accurately reflect this state's lottery environment.

The Lottery operates in a competitive business atmosphere and, consequently, is exempt of certain personnel and procurement restrictions that apply to typical state agencies. The Lottery, however, continually solicits input from its several audiences (Retailer Advisory Group, retailer forums, focus groups, players) to ensure the fiscal strength of the operation.

As suggested in the economic impact analysis, the Lottery will attempt to use an expedited process such as the "fast track" process that was proposed in the 2002 General Assembly Session. This bill, however, was carried over to the 2003 Session and is not yet in effect.

Further, there was a period of time during which agencies were permitted only to eliminate regulations, not to amend them or create new ones.